

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No. 0134-01  
Bill No. SB 120  
Subject: Collective Bargaining  
Type: Original  
Date: May 8, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$2,714,780)	(\$2,897,204)	(\$2,947,490)
Conservation Commission Fund	(\$75,947)	(\$79,365)	(\$81,382)
Insurance Dedicated Fund	(\$75,947)	(\$79,365)	(\$81,382)
Highway Fund	(\$79,079)	(\$83,217)	(\$85,331)
<b>Partial Estimated Net Effect on <u>All</u> State Funds*</b>	<b>(\$2,945,753)</b>	<b>(\$3,139,151)</b>	<b>(\$3,195,585)</b>

\* Unknown costs related to collective bargaining agreements are not included.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>None</b>			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(\$23,823,333)</b>	<b>(\$59,246,900)</b>	<b>(\$64,396,671)</b>

Numbers within parentheses: ( ) indicate costs or losses

This fiscal note contains 14 pages.

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

The following agencies do not expect to be fiscally impacted: **House of Representatives, State Treasurer's Office, Office of the State Auditor, Office of the Lieutenant Governor, Office of the Attorney General (in a similar proposal), Office of Prosecution Services, State Tax Commission, Missouri Gaming Commission, Harris-Stowe State College, and Missouri Western State College.**

Officials from the **Coordinating Board for Higher Education (CBH)** state that they have a small agency and that no current employees belong to a union. CBH assumes that if some or all employees unionized or joined a union, it is possible that overall personnel costs would not change. Accordingly, the CBH assumes that the fiscal impact would be unknown. CBH did not indicate the need for any additional staff to deal with collective bargaining negotiations. Officials did note that there would be an impact on public institutions of higher education in the form of higher personnel costs or labor relations staff.

Officials from **Truman State University** assume that their agency would need additional staff, training, arbitration/mediation costs, and outside counsel and estimate the cost of collective bargaining with various campus employees to be \$117,000 per year.

Officials from **Southwest Missouri State University** assume that the fiscal impact would be unknown. The University expects that personnel costs would increase as a result of collective bargaining agreements.

Officials from **Central Missouri State University** assume that the fiscal impact is unknown.

Officials from the **University of Missouri** assume that the fiscal impact would exceed \$100,000 annually for costs including additional negotiators and program administration.

Officials from the **Department of Elementary & Secondary Education (DES)** assume that their agency would need two FTEs (Director and Senior Secretary) as it does not have any labor relations staff. The additional FTE would be needed to handle the negotiations, grievances, arbitration and representation for 2,000 employees including 38 State Schools for the Severely Handicapped, the School for the Blind in St. Louis, School for the Deaf in Fulton, and 33 district offices for Vocational Rehabilitation and Disability Determination statewide. DES further assumes that 200 school districts would need to hire consultants/lawyers with expertise in union negotiations. An average cost of \$20,600 was estimated, resulting in costs of \$4.1 million. DES estimated arbitration costs at \$10,300 for 134 districts or \$1.4 million. School board member training for 200 districts at \$2,060 each would total \$412,000. DES assumes districts with

**ASSUMPTION** (continued)

bargaining units will incur costs of approximately \$5,150 for additional personnel services totaling \$1.0 million. Total costs for FY 2002 would be \$6,942,200 for local school districts. DES assumes the number of districts with collective bargaining units would increase to 250 in FY 2003 and 300 in FY 2004. Costs for those years would be \$8,943,562 for FY 2003 and \$11,036,600 in FY 2004.

In response to similar legislation in a past session (HCS for HB 166 from 1999 session), officials from **St. Louis City** assumed that the fiscal impact would be unknown. The City expects that personnel costs would increase as a result of collective bargaining agreements. However, since the City currently sets the pay plans it would not expect any new costs to be incurred or the need for additional FTE for collective bargaining.

Officials from the **Office of State Courts Administrator (CTS)** assume that it would be doubtful for administrative costs to exceed \$100,000 per year as a result of this proposal. Currently, employees of the judicial branch are not unionized and it is not known whether or not unionization would occur as a result of this proposal. If unionization occurs, administrative costs would increase depending upon the facts in any year, with arbitration needs and costs varying. Additionally, some training of administrative staff would be necessary, as well as the potential for additional management staff to deal with collective bargaining. CTS officials also note that there is potential for an increase in litigation, depending upon how the proposal is implemented by the large number of public employers. It is impossible to predict any increase in payroll costs which might occur as a result of, or in connection with, collective bargaining.

Officials from the **Office of the State Public Defender** assume that existing staff could provide representation for those few cases arising where indigent public employees were charged with illegal striking.

Officials from the **Secretary of State's Office (SOS)** assume that without knowing what units might be formed it is not possible to determine a cost estimate; although it would require possible FTE additions and extreme costs if several employee groups were formed for collective bargaining. SOS assumes that with a state negotiator paid by the Office of Administration, some of their costs would be covered elsewhere; however, SOS assumes they would still incur undetermined costs to assist with the preparation for the negotiation.

Officials from the **Department of Revenue (DOR)** prepared the fiscal note estimate with the assumption that DOR would handle its own day-to-day contract administration, grievance and arbitration proceedings. The DOR has approximately 2,010 employees. DOR assumes that they would need at least one Assistant Counsel to accommodate the provisions of this proposal. The attorney would advise and direct the collective bargaining process including contract ASSUMPTION (continued)

negotiations, implementation, monitoring, grievance and arbitration proceedings. DOR also

assumes that their agency would require the services of additional employees to provide sufficient clerical support, implement departmental procedures, and to provide training to managers and supervisors. The DOR would also incur the standard office equipment and expenses, including travel expenses, normally associated with full time employees. In addition, DOR assumes it will incur costs as a consequence of arbitration. For example, through arbitration, a classification is raised one pay grade. The resulting overall increase in salaries for this classification could have a significant fiscal impact. If unionization occurs, the DOR assumes administrative costs would increase depending upon the facts in any year with arbitration needs and costs varying. Accordingly, DOR assumes a significant unknown administrative impact as a result of the proposal. **Oversight** has reflected costs for two FTEs (one Labor and Industrial Relations Manager and one Clerk Typist II) and corresponding expense and equipment. DOR also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

Officials from the **Department of Health (DOH)** assume that their agency would need two additional FTEs to carry out the provisions of the proposal. One FTE, a Human Resources Manager, would be responsible for managing all DOH labor relations activities, including negotiations, contract monitoring, grievances, and arbitration. This position would also assure that supervisors and managers would receive appropriate labor relations training and maintain training records. One FTE, a Clerk Typist II, would provide clerical support for the labor relations function. DOH also assumes that approximately 200 managers and supervisors would have to be trained the first year and 50 new managers would need annual training thereafter, at \$100 per person. DOH also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

In response to similar legislation from the previous session (SB 547), officials from the **Department of Public Safety (DPS)** assume that they would need six FTEs (two Labor and Industrial Relations Managers, one Assistant Counsel, and three Clerk Typists) to be responsible for working with collective bargaining units for approximately 4,000 employees in DPS. DPS also assumes that there would be training required for approximately 226 managers and supervisors. **Oversight** has reflected costs for two FTEs (one Labor and Industrial Relations Manager and one Clerk Typist II) and corresponding expense and equipment. DPS also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

Officials from the **Department of Economic Development (DED)** assume that their agency will need a Labor and Industrial Relations Manager and a Clerk Typist II to handle the labor relations matters that will result from this proposal. The Labor and Industrial Relations Manager will ASSUMPTION (continued)

provide technical support and expertise in all labor relations matters, administer the provisions of the collective bargaining act and assist the department in arbitration matters. The Clerk Typist II

will provide clerical support for the labor relations unit. Additionally, DED assumes that the department will need training funds for its managers/supervisors at \$250 for the first year, totaling \$81,250. DED assumes that the cost for the second and third years will be approximately \$100 or \$32,500 in FY 2003 and \$33,475 for FY 2004. DED also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

Officials from the **Department of Transportation (DHT)** assume that this proposal would have a negative fiscal impact on its agency. DHT assumes an increase in staff and the associated expense and equipment will result in estimated cost of \$223,707 for FY02; \$237,195 for FY03; and \$243,155 for FY04 on the Highway Fund. DHT assumes that it would need four additional FTEs (Attorney, Legal Support Staff, Human Resource Specialist, and Human Resource Support Staff) to handle grievances, negotiations and additional paperwork. DHT states that there are also future costs, such as court fees, arbitration fees, and consequences of arbitration, that cannot be estimated. For example, there are 1,959 maintenance workers at an average monthly salary of \$2,218. Should an arbitrator decide that this classification be raised to an average monthly salary of \$2,395, the increased cost for one year would be \$4,160,916. Pay increases, depending on the job classification, would affect the highway, road, federal and general revenue funds. **Oversight** has reflected costs for two FTEs (one Labor and Industrial Relations Manager and one Clerk Typist II) and corresponding expense and equipment.

Officials from the **Department of Insurance (INS)** state that their department would be considered a public sector employer under the proposal. INS employees could organize into certified collective bargaining units. INS estimates that four to five collective bargaining units could be formed within the department. INS assumes two additional FTEs would be needed to carry out the provisions of the proposal, a Labor and Industrial Relations Manager and Clerk Typist II. The Labor and Industrial Relations Manager would be responsible for the certification process for forming bargaining units, negotiations leading to agreements, arbitration of impasses, grievances; and hearings before the Public Employees Relations Board. Clerical support will be required for the Labor and Industrial Relations Manager.

Officials from the **Department of Conservation (MDC)** assume that their agency would need two additional FTEs (Labor and Industrial Relations Manager and Administrative Staff Assistant) to work with management, union representatives, supervisors, employees and others involved in labor issues regarding collective bargaining. MDC assumes that arbitration and appeal costs will run approximately \$6,000 per month.

#### ASSUMPTION (continued)

In response to similar legislation from the previous session (SB 547), officials from the **Department of Mental Health (DMH)** assume that they would need 18 additional FTEs (one

Labor and Industrial Relations Manager, eight Personnel Analyst Is, one Clerk Typist III, and eight Clerk Typist IIs). The Labor and Industrial Relations Manager would be responsible for coordinating department labor relations and developing collective bargaining procedures. The Personnel Analysts would administer and implement departmental policies and procedures, provide training, dispute resolution, and work with various union leaders. Clerical support would be provided by the Clerk Typist II and III. **Oversight** has reflected costs for two FTEs (one Labor and Industrial Relations Manager and one Clerk Typist II) and corresponding expense and equipment. DMH also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

Officials from the **Department of Social Services (DOS), Division of Personnel and Labor Relations** estimated costs for eight additional FTEs (four Personnel Officers Is and four Clerk Typist IIs). The additional staff will be used to facilitate the activities necessary for DOS to comply with the provisions of the proposal. DOS assumes that the Personnel Officers would be located in Kansas City, Springfield, St. Louis City and St. Louis County with clerical support being provided by the Clerk Typist IIs. Costs for management training were based on discussions with the Office of Administration, Division of Personnel, and a survey of training providers. DOS estimates that the training costs would be at least \$200 per manager for the first year and \$100 per manager the second and third year. **Oversight** has reflected costs for two FTEs (one Labor and Industrial Relations Manager and one Clerk Typist II) and corresponding expense and equipment. DOS also requested additional office space for the two FTEs; however, **Oversight** assumes that space for these FTEs could be absorbed in the current facilities.

Officials from the **Department of Natural Resources (DNR)** assume that without established policies, procedures and no previous experience with collective bargaining, it is estimated that the additional workload related to department activities would require two additional FTEs (Labor and Industrial Relations Manager and Clerk Typist II) to manage the grievances, bargaining, and interpretation of the bargaining agreement. Depending upon the allocation of responsibility, these resources may be within the department or within the Office of Administration. DNR assumes that the Office of Administration, Division of Personnel will develop and provide training courses. DNR assumes the estimated cost for the training and orientation of 450 supervisory and managerial personnel is approximately \$100 per individual.

In response to similar legislation from the previous session (SB 547), officials from the **Department of Agriculture (AGR)** assume that it would need two additional FTEs (Labor and Industrial Relations Manager and Clerk Typist II). The Labor and Industrial Relations Manager would be responsible for advising and directing the collective bargaining process including ASSUMPTION (continued)

contract negotiations; grievance investigations; related classification problems and pay administration; and contract resolution training. The Clerk Typist II would provide general support duties. AGR assumes that once the program is up and running there would be three

arbitration cases introduced at the first of the year and four cases each year thereafter. Education and training for the Labor and Industrial Relations Manager and 16 individuals in pertinent key positions would begin immediately with 88 more managers and supervisors being trained in FY02 and ten in FY03. Travel costs are estimated based on an average of three trips per month for the Labor and Industrial Relations Manager with two over night stays and an average of 200 miles per trip.

Officials from the **Department of Labor & Industrial Relations (DOL), State Board of Mediation (Board)**, state that the Board consists of three FTEs and assume that the proposed legislation would require nine additional FTEs (three Hearing Officers, two Investigator IIs, one Clerk Stenographer III, two Clerk Typist IIs, and one Computer Information Technologist II). In response to similar legislation from the prior session, the Board noted the duties and responsibilities that would be assigned to the new positions. The Hearing Officers would hear disputed issues of fact in representation proceedings and take evidence. The Investigators would conduct investigations of alleged unfair labor practices, attempt to resolve disputes, present findings to the board, hold elections and investigate objections to elections. The Clerk Stenographer III and Clerk Typist IIs will perform all clerical functions for the board. The Board did not estimate funds for development of data systems, educational training, and professional development for new and current staff. DOL assumes that the Board will bear the cost of mediation. Since the proposal covers all public employees throughout Missouri, it is assumed that mediation may occur in multiple locations on any given day. The assumption is to employ mediators 480 days @ \$744 per day, or total costs of \$357,120 annually. This expense was calculated based upon figures provided in 1998 by a professor at St. Louis University, with a 3% inflation factor. Additionally, the Board assumes that there would be per diem costs for two board members for 30 days at \$50 per day, or \$3,000 annually. **The per diem costs were not included in the fiscal impact section per a previous Oversight Subcommittee's decision.** Oversight notes that DOL's request for rental space for the additional nine FTEs, at a cost of \$13.50 per square foot (200 square feet) is included in expense and equipment.

Officials from the **Office of Administration (COA)** assume that it would provide the primary representation for the sixteen agencies (possibly excluding the CTS) under the jurisdiction of the Governor with regard to labor relations activity. This assumption is based on the data obtained from Iowa and Illinois. Each agency would handle their own day-to-day contract administration and grievance arbitration. COA assumes that in order to provide the best representation, it would need to enhance its central labor relations staff since the Division of Personnel would be in a position to handle all labor relations matters before the Board for all state agencies. Specifically, ASSUMPTION (continued)

act as chief spokesperson concerning wages, fringe benefits and those matters which have uniform applicability to state employees; provide presentation during contract negotiations; represent agencies involved in contract arbitration; coordinate training for state supervisors and managers; and coordinate the labor relations efforts in general for state agencies.

COA assumes that staffing would need to be completed on the effective date of the proposal in order to fully prepare to handle the new issues and cases which could arise. The Division of Personnel would be staffed with professionals to serve as negotiators, case presenters, arbitration representatives, training coordinators and budget specialists. In order to perform these tasks, COA assumes it would need an additional 23 FTE with nine being located in the Employee/Labor Relations Section. The classifications needed were based on established staffing patterns in Iowa, Michigan and Ohio where the central labor relations functions have been designated for state coordination.

Missouri currently has one Employee Relations Manager dealing full time with the seven unions which have eleven agreements. While these eleven agreements affect over 28,000 employees, they are not collectively bargained, but are finalized by meet and confer. Under collective bargaining, approximately 15,000 to 20,000 additional employees, for a total of over 40,000 employees, would be unionized. Therefore, COA assumes that six new Labor and Industrial Relations Managers and three support staff would be working full time with the union representatives and management. The staff attorney and one support staff would be advising on legal matters including presenting cases before the Boards, contract arbitration cases and the courts. The attorney would work for the General Counsel and would be doing background work on a year round basis. The budget analyst will work with two personnel analysts and one support staff on the cost of the union proposals. The other personnel analysts and one support staff will be following up on requests that the union will demand like additional wage surveys and cost as well as reclassification checks on hundreds of employees. The six training technicians will train the department trainers and the department employees by giving classes on labor relations, correct grievance handling, dealing with union stewards, and managing employees. After three years only three trainers would be needed to continue the process. Based on an **Oversight Subcommittee decision** in a previous session, COA's request was reduced to nine FTEs (four Labor and Industrial Relations Managers, three Staff Attorneys, one Paralegal Assistant, and one Clerk Stenographer III). **Oversight** notes that COA's request for office space and related janitorial and utility expenses, at a cost of \$9.65 per square foot (5,000 square feet) for additional staff is included in expense and equipment.

**For purposes of this fiscal note, Oversight adjusted the agency responses received to reflect the decision of the Oversight Subcommittee on a similar proposal in a prior session. The state departments which responded were allowed two FTEs (i.e., Labor and Industrial**  
**ASSUMPTION** (continued)

**Relations Manager and Clerk Typist II) except for the COA and the DOL which were allowed nine and twelve FTEs, respectively. However, DOL has chosen to request only nine FTEs based on additional information received from Iowa and Illinois concerning their experiences and work load with relation to collective bargaining. Oversight assumed salaries that approximate starting salaries for the positions noted and calculated a standard equipment and expense cost that is reflected for each agency, except for additional expenses**

**for COA and DOL. Fringe benefits were calculated at 33.33% for all agencies, except Department of Transportation (40.41%). Additional costs for training various agency supervisors and managers are not reflected. It is assumed that COA will offer such training and costs are included for this in COA's equipment and expense totals. Amounts shown for public colleges and universities reflect the salaries, fringe benefits, and equipment and expenses reflected for other state agencies, plus costs for arbitration and training (based on a 1992 response for collective bargaining legislation). The fiscal impact related to the non-responding agencies was not included in the fiscal impact section. This fiscal note represents a partial fiscal estimate of the effect of collective bargaining with binding arbitration on the state of Missouri.**

**The local government costs reflect a decision on a similar proposal by the Oversight Subcommittee on March 1, 1999. Local government costs for FY 2002 have been stated at \$23,823,333; FY 2003 costs at \$59,246,900; and FY 2004 costs at \$64,396,671.**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE</b>			
<u>Costs - All State Agencies</u>			
Increased Personnel Costs Resulting from Collective Bargaining Agreement	(Unknown)	(Unknown)	(Unknown)
<u>Costs - Office of Administration (OA)</u>			
Personal Service (9 FTE)	(\$244,085)	(\$300,225)	(\$307,733)
Fringe Benefits	(\$81,354)	(\$100,065)	(\$102,567)
Expense and Equipment	<u>(\$181,433)</u>	<u>(\$141,326)</u>	<u>(\$122,148)</u>
Total <u>Costs</u> - OA	(\$506,872)	(\$541,616)	(\$532,448)
<u>Costs - Department of Agriculture (AGR)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - AGR	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Economic Development (DED)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DED	(\$75,947)	(\$79,365)	(\$81,382)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Costs - Department of Elementary and Secondary Education (DES)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DES	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Health (DOH)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DOH	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Labor and Industrial Relations (DOL)</u>			
Personal Service (9 FTE)	(\$214,260)	(\$263,540)	(\$270,129)
Fringe Benefits	(\$71,413)	(\$87,838)	(\$90,034)
Expense and Equipment	(\$131,746)	(\$68,941)	(\$70,666)
Arbitration Expenses	(\$297,600)	(\$366,240)	(\$375,360)
Local Assistance (Court Reporters)	<u>(\$48,000)</u>	<u>(\$59,040)</u>	<u>(\$60,480)</u>
Total <u>Costs</u> - DOL	(\$763,019)	(\$845,599)	(\$866,669)
<u>Costs - Department of Mental Health (DMH)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DMH	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Natural Resources (DNR)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DNR	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Public Safety (DPS)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DPS	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Revenue (DOR)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DOR	(\$75,947)	(\$79,365)	(\$81,382)
<u>Costs - Department of Social Services (DOS)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DOS	(\$75,947)	(\$79,365)	(\$81,382)
<u>Cost-State Public Colleges/Universities</u>			
Personal Service (20 FTE)	(\$442,400)	(\$544,150)	(\$557,750)
Fringe Benefits	(\$147,450)	(\$181,370)	(\$185,900)
Expense and Equipment	<u>(\$171,516)</u>	<u>(\$70,184)</u>	<u>(\$72,285)</u>
Total <u>Costs</u>	(\$761,366)	(\$795,704)	(\$815,935)
<b>PARTIAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>(\$2,714,780)</u></b>	<b><u>(\$2,897,204)</u></b>	<b><u>(\$2,947,490)</u></b>

**\*Unknown costs related to collective bargaining agreements not included in total.**

## **CONSERVATION COMMISSION FUND**

<u>Costs - Department of Conservation (MDC)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - MDC	(\$75,947)	(\$79,365)	(\$81,382)

<u>FISCAL IMPACT - State Government</u>	<u>FY 2002</u> <u>(10 Mo.)</u>	<u>FY 2003</u>	<u>FY 2004</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>(\$75,947)</u></b>	<b><u>(\$79,365)</u></b>	<b><u>(\$81,382)</u></b>

#### **INSURANCE DEDICATED FUND**

<u>Costs - Department of Insurance (INS)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$14,745)	(\$18,137)	(\$18,590)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - INS	(\$75,947)	(\$79,365)	(\$81,382)
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>(\$75,947)</u></b>	<b><u>(\$79,365)</u></b>	<b><u>(\$81,382)</u></b>

#### **HIGHWAY FUND**

<u>Costs - Department of Transportation (DHT)</u>			
Personal Service (2 FTE)	(\$44,240)	(\$54,415)	(\$55,775)
Fringe Benefits	(\$17,877)	(\$21,989)	(\$22,539)
Expense and Equipment	<u>(\$16,962)</u>	<u>(\$6,813)</u>	<u>(\$7,017)</u>
Total <u>Costs</u> - DHT	(\$79,079)	(\$83,217)	(\$85,331)
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$79,079</u></b>	<b><u>\$83,217</u></b>	<b><u>\$85,331</u></b>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2002</u> <u>(10 Mo.)</u>	<u>FY 2003</u>	<u>FY 2004</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(\$23,823,333)</u></b>	<b><u>(\$59,246,900)</u></b>	<b><u>(\$64,396,671)</u></b>

#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## DESCRIPTION

This proposal instructs the commissioner of administration to appoint a chief negotiator to represent the state in any negotiations and the administration of all labor contracts entered into by the state pursuant to the provisions of the proposal. This proposal allows public employees not otherwise exempted to elect designees to participate in good faith negotiations with public bodies.

The provisions of this proposal apply to state and local government employees, except: Deputy Sheriffs, Highway Patrol, National Guard, elected and appointed officials, members of boards and commissions, representatives of a public body, "confidential employees" (employees who work in personnel offices), temporary employees (four months or less), part-time student teaching, research and service assistants, judges, inmates and patients of institutions, and employees of any legislative body.

The State Board of Mediation administers collective bargaining laws. The process of selecting a bargaining representative is detailed (elections, certification and decertification of representatives). Strikes are prohibited. Violation may result in a fine, decertification of the bargaining representative, loss of certain employment rights, and confinement in the county jail. The criminal penalty for striking is a Class B misdemeanor (up to six months or \$500).

This proposal allows for mediation and arbitration. Any agreement reached still goes through the normal budget process and allows for a contract period of up to three years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

House of Representatives  
State Treasurer's Office  
State Auditor's Office

## SOURCES OF INFORMATION

Office of the Lieutenant Governor  
Office of the Attorney General  
Office of Prosecution Services  
State Tax Commission  
Missouri Gaming Commission  
Coordinating Board for Higher Education  
Office of Administration  
Department of Agriculture  
Department of Conservation

Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health  
Department of Insurance  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Natural Resources  
Department of Public Safety  
Department of Revenue  
Department of Social Services  
Department of Transportation  
Office of the State Courts Administrator  
Office of the State Public Defender  
Secretary of State's Office  
Harris-Stowe State College  
Truman State University  
Southwest Missouri State University  
University of Missouri  
Central Missouri State University  
Missouri Western State College  
City of St. Louis

NOT RESPONDING

Department of Corrections  
State Lottery Commission  
Senate

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA  
Director  
May 8, 2001